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## *Energy Department Helping Pacific Northwest Tribes Take Advantage of Restructured Electricity Market*

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### **Bonneville Power Administration**

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**Washington, D.C.** – The U.S. Department of Energy and its Northwest power marketing agency, the Bonneville Power Administration, are helping Northwest Native American tribes benefit from a restructured electricity market by expanding their opportunities for access to inexpensive Federal power.

When Congress passed the Energy Policy Act in 1992, it paved the way for competition in the electric power industry, first at the wholesale level and later down to the retail consumer. Northwest tribes, a key customer group as deregulation opens Northwest markets to competition, will be making critical decisions with long-term implications for their members and communities.

"The tribes have asked us to help them participate in a restructured market," Richardson said. "We are providing expert advice and financial support, and setting policies that will help them form customer-owned utilities if they desire."

BPA has determined that tribes are "public bodies" or "cooperatives" for purposes of forming utilities and qualifying for preference service within the boundaries of their reservations. Federal law grants first priority to public bodies -- municipalities, public utility districts and cooperatives -- wishing to purchase power from the Columbia River Power System.

Tribal and all other new utilities must meet certain requirements to be eligible for service in the upcoming 2001-2006 contract period. Among the qualifications, districts must be established and well on the way to acquiring distribution systems by the close of contract negotiations next summer. If meeting this deadline is not possible, they could form districts and be eligible for preference service after 2006.

As a rule, BPA requires that its utility customers own an entire distribution system -- the power lines used to deliver electricity to individual homes and businesses -- in order to be eligible for service. But the tribes may have unique circumstances given the large, sparsely populated areas and fragmented distribution facilities within reservation boundaries. Therefore, it may not make sense for them to own all the distribution facilities they will need to serve their consumers. BPA will consider, on a case-by-case basis, whether to waive the full ownership requirement.

The Department of Energy is also taking other steps to assist Pacific Northwest Tribes in dealing with electricity industry restructuring, including providing grants to tribal organizations to identify and study the advantages of their participation in a deregulated environment. Previous studies have led a number of Northwest Tribes to consider forming distribution utilities to serve their reservations and tribal members.

Several Northwest tribal organizations have also received DOE grants to participate fully in Bonneville's current power rate case. The Tribes have a stake in the outcome as consumers and possible utility customers of Bonneville. They also have an active interest in the sufficiency of BPA's revenues to fund yet unknown costs of salmon and steelhead recovery efforts in the Columbia River Basin.

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